

CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

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28 January 1974

MEMORANDUM FOR: Legislative Counsel

SUBJECT: Background Data on CIA Estimates of Soviet Gold Position

1. The methodology used in estimating Soviet gold reserves, sales and production is described in Attachment I. It may be of help to you in your talk with Congressman Mahon to know how these estimates were made.
2. It should be of interest to Congressman Mahon to know that Secretary Dillon requested on 4 October 1963 that a member of his staff be briefed regarding the methodology used for our estimates of Soviet gold sales and reserves.
3. We have also requested that the US Bureau of Mines gold specialist, be cleared for a similar briefing. Much of the material on which our estimates are based has not been available to the Bureau of Mines analysts up to this time.
4. Attachment II, an Economic Intelligence Memorandum titled The Soviet Need for Credits may also be of interest to you. This paper is currently under revision, however, the information on gold sales and reserves will remain essentially the same.

Deputy Assistant Director  
Research and Reports

Enclosures:

Attachment I  
Attachment II

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Soviet Gold Production and Reserves

1. The various estimates of Soviet gold production and reserves quoted by the Legislative Reference Service in their 21 November 1963 memorandum are an accurate reflection of estimates appearing in open source publications. As the memorandum correctly suggests, these estimates vary widely because of the nature of the source material used.
2. The CIA estimates of Soviet gold reserves and of Soviet gold production differ considerably from those based on open sources. The reason for the difference is that the CIA estimates are derived from highly classified sources that are not available outside of the intelligence community as well as from all available unclassified sources within the intelligence community in the US, there is general agreement on the CIA estimates.
3. CIA estimates of Soviet production of gold for each year since 1955 and the level of reserves at the end of each year of this period are given below. Figures are in million of US dollars at \$35/dollars per troy ounce.

Year	Production	Sales	Reserve Balance
1955	121	70	3,044
1956	117	154	2,965
1957	119	275	2,787
1958	124	182	2,700
1959	132	303	2,504
1960	137	125	2,473
1961	147	310	2,267
1962	156	230	2,170
1963	175	400-500	1,800-1,900

OAR/CIA  
29 January 1964

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